



**City of San Diego**

# **Report to the Budget and Finance Committee**

**Update on the American Recovery and  
Reinvestment Act  
March 12, 2009**



# Advocacy

- The Mayor and the City's lobbying team, including IRD and Patton Boggs, advocated to ensure the City and region would have funding opportunities in a number of areas including transportation, housing and public safety.
- Advocacy through member organizations: U.S. Conference of Mayors, League of Cities, SANDAG
- Advocacy through other channels: Governors office and San Diego delegation
- Collaboration with other big cities



# Analysis

- The stimulus package contained eight major categories of interest:
  - General Infrastructure
  - Transportation
  - Water
  - Housing
  - Economic Development
  - Public Safety
  - Energy
  - Local Government Bonding





## General Infrastructure

- Community Development Block Grants (*Formula*)
  - \$1 billion nationwide
  - Approximately \$4 million for City of San Diego
    - HUD still developing guidance
- Army Corps of Engineers (*Secretary of Army*)
  - \$2 billion for construction projects
  - San Diego has several Army Corps projects
    - Mission Bay Channel Dredging
    - Revetment along creeks and river
- International Boundary and Water Commission (*State Department*)
  - \$220 million for water quality and quantity projects
- Border Construction (*General Services Admin*)
  - \$300 million for border stations and land crossings



# Transportation

- Transit (*Formula by DOT*)
  - \$6.9 billion for capital projects
- Highways (*Formula to States*)
  - \$27.5 billion for projects eligible under the STP
- Amtrak (*Amtrak*)
  - \$1.3 billion on repair, rehabilitation or upgrade of rail facilities that expand service
- High Speed Rail (*Discretionary Grants – DOT*)
  - \$8 billion
    - Provides additional opportunity for San Diego in State HSR project
- National Surface Transportation (*Competitive*)
  - \$1.5 billion for projects of national or regional significance



# Water

- State Revolving Loan Funds: Clean Water and Drinking Water (*Formula to States*)
  - \$4 billion for Clean Water (\$280m for CA)
  - \$2 billion for Drinking Water (\$160m for CA)
- Bureau of Reclamation (*Competitive*)
  - \$1 billion for water reclamation, groundwater development, and recycling





# Housing

- Neighborhood Stabilization (*Competitive - HUD*)
  - \$2 billion for the purchase, rehabilitation and re-occupancy of foreclosed homes
- Emergency Shelter Grants (*Formula*)
  - \$6 million to City of San Diego
- HOME Investment Partnership (*Formula to State, then competitive*)
  - \$2.25 billion for purchase, construction and rehabilitation of affordable housing for rent
- Lead Paint Removal (*Competitive - HUD*)
  - \$100 million for lead abatement in either owner or renter occupied housing



# Economic Development

- Economic Development Administration (*Competitive*)
  - \$150 million to leverage private investment and stimulate employment
  - Targeted to help long-term economic development of areas with severe unemployment and low incomes





## Public Safety

- Justice Assistance Grants (*Formula*)
  - \$4 million to City of San Diego for broad-based public safety measures
- Community Oriented Policing (*Competitive - DOJ*)
  - \$1 billion nationwide for hiring and rehiring law enforcement officers
- Firefighter Assistance Grants (*Competitive - FEMA*)
  - \$210 million nationwide for modifying, upgrading or construction non-federal fire stations
- Brush/Wildfire Management (*Competitive - Forest*)
  - \$500 million for hazardous fuels reduction



## Energy

- Energy Efficiency and Conservation (*Formula & Competitive*)
  - \$3.2 billion (\$2.8b by formula and \$400m competitive) for reduction of fossil fuel emissions, improving energy efficiency in transportation and building, financial incentives for retrofits
  - \$10 million estimated for City of San Diego
- Advanced Energy Credit (*Tax Credits*)
  - 30% investment tax credit for a qualified advanced energy project
  - Expected to boost the region's emerging clean tech cluster
- Clean Renewable Energy Bonds
  - \$1.6 billion authorization for bonds dedicated to financing facilities that generate electricity from renewable sources
  - 1/3 for State/local govt., 1/3 for public power providers, and 1/3 for electric cooperatives



# Energy

- Qualified Energy Conservation Bonds
  - \$2.4 billion authorization for state and local initiatives to reduce greenhouse gas emissions
  - Complementary to the City's AB 811 program
- Energy-Efficient Improvements (*Tax Credits*)
  - 30% tax credit for improvements to existing homes to improve energy efficiency
  - Complementary to the City's AB 811 program





# Local Government Bonding

- Tax Credit Bonds
  - Allows option of issuing tax-credit bonds instead of tax-exempt bonds
  - Better coordination with state laws relative to exemptions from federal income tax
- Tax-Exempt Interest Expense Rules
  - Increases limit from 1% to 2% on how much tax-exempt bonding financial institutions can use as safe-harbor
- Government Contractor Withholding
  - Delays for one year the application of the mandated 3% withholding requirement on government payments for goods and services



Questions?